



**THE CITY OF SPRINGFIELD, MASSACHUSETTS  
OFFICE OF MAYOR DOMENIC J. SARNO**

January 16, 2008

A. Joseph DeNucci  
State Auditor  
Executive Office - Room 230  
State House  
Boston, MA 02133

Re: Merrill Lynch Investments

Dear Auditor DeNucci:

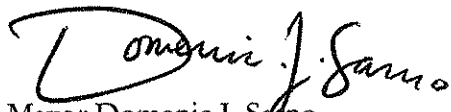
I am writing this letter to seek your agency's assistance in undertaking a complete audit of the City's Merrill Lynch investments as well as all other current City investments in the cash management area.

This request is made as a result of the December 20, 2007, announcement by the Springfield Finance Control Board that Merrill Lynch securities acquired by the City during April, May and June of 2007 at a cost of \$13,925,000 had declined in market value, as of November 30, 2007, to \$1,257,500, representing an unrealized loss of \$12,667,500.

The Offices of the Attorney General and Secretary of State have publicly acknowledged that their offices are reviewing the matter, and the Springfield Finance Control Board has retained outside counsel for advice on this matter.

As a newly elected Mayor, I want to assure that every reasonable effort is made to recoup the City's investment, and that measures are taken to assure the City's resources are properly safeguarded. As such, I respectfully request your assistance in working with the City and other agencies involved and help advocate on the City's behalf, evaluate internal controls and ensure integrity in financial management systems as the City moves forward as well as ensuring that results are fully disclosed to the public.

Sincerely,

  
Mayor Domenic J. Sarno